MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

PFA0064 – ESSENTIALS OF FINANCIAL ACCOUNTING

(Foundation in Management)

17 OCTOBER 2018
9 a.m - 11 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **FIVE** pages with 4 questions only.

2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Write your answers in the Answer Booklet.

Question 1

The following are balances of Rishi for the year ended 31 December 2017.

	RM
Inventory at 1 January 2017:	
Raw materials	19,450
Work in process	21,600
Finished goods	17,450
Purchases: Raw materials	66,300
Carriage inwards on raw materials	1,610
Direct labour	65,850
Office expenses	16,720
Factory rental expenses	2,400
Factory manager's salary	65,000
Office lighting and heating	4,730
Depreciation: Works machinery	8,200
Office equipment	2,150
Sales	225,600
Factory fuel and power	6,940

Additional information:

1. RM200 of factory rental expenses were paid in advance.
2. Inventory at 31 December 2017 were:

Raw materials	RM 20,510
Work in process	RM 18,400
Finished goods	RM 21,490

Required

a) Prepare the manufacturing account for the year ended 31 December 2017. (15 marks)

b) Prepare the statement of profit or loss and other comprehensive income for the year ended 31 December 2017. (10 marks)

(Total 25 marks)

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Question 2

The following is a summary of the receipts and payments for Minnie Club during the year ended 31 July 2018.

Minnie Club
Receipts and Payments Account
For the year ended 31 July 2018

	RM		RM
Cash and bank balances b/d	200	Administrative expenses	123
Sales of race tickets	440	Rent	1,000
Members' subscriptions	1,987	Visiting speakers' expenses	804
Donations	190	Donations to charities	530
Refund of rent	600	Prizes for race	280
		Miscellaneous expenses	180
		Balance c/d	500
	3,417		3,417

Additional information:

As at 31 July	2017(RM)	2018(RM)
Equipment (original cost RM 1,420)	1,050	855
Subscriptions in arrears	65	85
Subscriptions in advance	10	37
Rental paid in advance		600

Required

a) Prepare the subscription account. (10 marks)
b) Prepare the income and expenditure account for the year ended 31 July 2018. (15 marks)

(Total 25 marks)

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Question 3

Part A

J,K and L were in partnership for many years sharing profits and losses in the ratio 5:3:2 and prepare their accounts to 31 December each year. J decided to retire on 1 January 2017 and the partnership was dissolved as from that date.

The partnership shows the following balance at the end of year 2016:

JKL

Statement of Financial Position as at 31st December 2016

	RM Cost	RM Accumulated Depreciation	RM Net carrying Amount
Non-current assets			
Premises	300,000	50,000	250,000
Plant and machinery	200,000	100,000	100,000
Motor vehicles	80,000	40,000	40,000
	580,000	190,000	390,000
Current assets			
Inventory	100,000		
Accounts receivable	80,000		
Cash	20,000		200,000
Total asset			590,000
Current liability			
Accounts payable			65,000
Non-current liability			
Mortgage			120,000
Financed by:			
J			200,000
K			100,000
L			105,000
Total equity and liabilities			590,000

The following transaction took place during 1 January 2017:

1) Motor vehicles has been taken over by K and L at RM15,000 and RM10,000 respectively. The remaining motor vehicles were sold for cash amounting RM45,000.

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2) Inventory amounting RM140,000 has been taken over by L. RM60,000 out of accounts receivables values has been received from the respective customers. The remaining balance amounting RM20,000 has been taken over by L.

3) The following assets has been sold for cash:

	RM
Premises	350,000
Plant and machinery	80,000

4) The accounts payable were all settled for a total of RM60,000. Mortgage was paid on 1 January 2017. The business incurred RM3,500 on dissolution expenses.

5) The final amounts due to or from partners were paid or received on 1 January 2017.

Required

Prepare the following accounts as at 1 January 2017 showing the dissolution of the partnership.

a) Realisation account (9 marks)
b) Partners' capital accounts (columnar format) (5 marks)
c) Cash account (6 marks)

Part B

The following are the data of Salem Berhad for the year ended 31 June 2017.

	RM
Net profit	172,800
Depreciation charges	9,800
Decrease in the allowance for doubtful debts	1,500
Decrease in accounts receivables	2,800
Increase in inventories	6,800
Dividends from associates	10,000
Ordinary dividends paid	8,000
Payment to acquire non-current assets	15,000
Issues of ordinary share capital	20,000

The cash and cash equivalents balance as at 31st June 2016 was RM175,000.

Required

Prepare the cash flow statement for the year ended 31 June 2017. (5 marks)

(Total 25 marks)

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Question 4

The trial balance of Mahashir Berhad at 30 June 2018 was as follows:

	Debit	Credit
	(RM)	(RM)
Share capital		300,000
Retained earnings (1 July 2017)		35,000
Building at cost	260,000	
Machinery at cost	60,000	
Accumulated depreciation on machinery		20,000
Purchases	10,200	
Sales		148,970
General reserves (1 July 2017)		16,000
Office expenses	17,100	
Salaries and wages	45,000	
Motor expenses	3,120	
Cash	47,370	
Electricity and water	1,500	
Bad debts	600	
Allowance for doubtful debts		920
Accouts receivable	20,000	
Accounts payable		25,000
Inventory (1 July 2017)	36,000	
Bank	45,000	
	545,890	545,890

Additional information:

i. The authorised and issued share capital is divided into 100,000 shares of RM1 each.
ii. Inventory at 30 June 2018 was valued at RM30,000.
iii. Electricity and water prepayments at 30 June 2018 amounted to RM500.
iv. Motor expenses accrued at 30 June 2018 amounted to RM300.
v. A dividend of RM20,000 is proposed for the year.
vi. The allowance for doubtful debts is to be increased to RM1,000.
vii. A depreciation charge is to be made on machinery at 10% per annum on cost.
viii. The company estimated the corporation tax to be RM2,800.
ix. RM4,000 was transferred to general reserves.

Required

a) Prepare the statement of profit or loss and other comprehensive income for the year ended 30 June 2018. (21 marks)

b) Prepare the statement of changes in equity for the year ended 30 June 2018. (4 marks)

(Total 25 marks)
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